Bridges: Quakes are a threat to many of the older bridges

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or necessarily structurally deficient, but also not meeting current design standards for their traffic volume.

The report on Oregon's bridges, issued earlier this month, was based on Federal Highway Administration data. Transportation for America had hoped the findings would influence Oregon to make a larger investment in transportation. But the Oregon Legislature and Gov. Kate Brown have failed to reach agreement on a new $343 million transportation package.

"We have billions of dollars of need to go out and retrofit these needs," said Travis Brouwer, a spokesman for the Oregon Department of Transportation in Salem. "We're very rarely funding bridges to increase their capacity to carry people."

Brouwer said to replace all 2,700 of Oregon's bridges on a 100-year cycle, twice the usual lifetime recommended for many, the department would have to replace 27 a year. The state currently replaces one or two a year, he said, focusing limited resources on repair rather than replacement.

JOSHUA BESSEX — The Daily Astorian

People watch from the West Broadway Bridge as a paddleboat floats down the Necanicum River.

Plans to fix

By the end of October, the replacement of Astoria's structurally deficient, 69-year-old Irving Avenue Bridge near 19th Street in Astoria will be complete.

"It was getting to the point where a loaded fire truck couldn't cross the bridge," said Lance Clark, a construction inspector working on the project, adding many of the bolts in the bridge's substructure had rusted and were falling apart during removal.

The new Irving Avenue bridge will be sturdier, Clark said, using a single span, bigger girders and anchoring of each approach to the bridge into stronger geologic formations on the hillside. The federal government is funding 90 percent of the $5.8 million project, with the city covering 10 percent.

A three-year, $16 million rehabilitation project is replacing and strengthening pilings along U.S. Highway 101 underneath the 91-year-old Lewis and Clark Bridge, listed in the report as functionally obsolete, and the 94-year-old Old Youngs Bay Bridge, one of the major structurally deficient bridges in the county.

Dave True, a project manager with the ODOT, said the project involves replacing some wooden pilings with steel, while wrapping others in protective fiberglass jackets to protect from rot, a common issue with bridge substructures in water.

The Lewis and Clark Bridge is expected to be finished by Labor Day weekend, while work should start by the end of this year on the Old Youngs Bay Bridge and finish by November 2017.

Within the next couple of weeks, True said, he and other ODOT representatives will start scoping the bridgework needed on the 63-year-old Highway 101 crossing over Ecola Creek, which faces many of the same issues with wooden pilings exposed to rot. Ray Bottenberg, the managing engineer of ODOT's bridge preservation unit, said the scoping work will help decide if the bridge is included in the state's 2018-21 Statewide Transportation Improvement Plan, a triennial priority list of projects. Several projects in Clatsop County are listed on the 2015-18 plan, from corrosion protection on New Youngs Bay Bridge and more painting on the Astoria Bridge to replacement of street ends along the Astoria Riverwalk between Sixth and 11th streets.

A relic

The 91-year-old West Broadway Bridge over the Necanicum River — one of the four major structurally deficient crossings in Clatsop County — is the oldest and the busiest in Seaside, handling more than 6,000 cars a day on average.

Seaside Public Works Director Neal Wallace said the department has prioritized limited resources based on the city's tsunami evacuation routes.

"That bridge is not part of any evacuation plan," Wallace said, adding that it looks bad because of the deficiency rating but plays a smaller role in moving traffic. "In the event of an earthquake, we've written that bridge off."

The nearby Avenue A and First Avenue bridges are evacuation routes, Wallace said.

While Seaside is interested in retrofitting Broadway and keeping the bridge's historic character, he said the city has put a lot of effort into improving Avenue U bridge, a major evacuation route for southern Seaside and more important to moving traffic. He said a project is almost shovel ready, and it would cost about $4 million to replace the bridge.

But while Astoria has received millions of dollars to replace street ends on the Astoria Riverwalk, Wallace said Seaside has not been able to get financial support for replacing Avenue U.

Readying for the big one

The Oregon Department of Transportation issued the Oregon Seismic Plus Report last October, which found that most western Oregon bridges between Oregon Highway 97 and U.S. Highway 101 face serious damage or destruction in the wake of a magnitude 8 or greater Cascadia Subduction Zone Earthquake.

The report estimates a needed 138 bridge replacements, 390 retrofits, and 190 rehabs and retrofits. In addition, more than 1,100 landslides and rockfalls need to be mitigated. Bottenberg added that many bridges, including the Astoria, Highway 101 over Ecola and Broadway, face liquefaction of the ground beneath them during a major quake.

While the state does not have the money to significantly implement the report's recommendations, Brouwer said, the information provides a strategic plan for improvements.

ODOT's seismic report recommends starting an investment package to begin retrofits, similar to funds Washington state and California have created. The report recommends improving infrastructure in five phases, starting with the most populous transit corridors handling the most commerce.

The Transportation for America report recommends increasing federal support for transportation through the highway trust fund, prioritizing maintenance, tying transportation funding to performance and giving local communities more access to transportation funding.

• To read "The Fix We're In," Transportation for America's report on Oregon's bridges, or ODOT's Seismic Plus Report, visit the story online at www.dailyastorian.com

Program: Energy officials did not publicize change

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make investment profits from the tax credits nontaxable in Oregon.

That bill died in committee, but the situation apparently had a chilling effect at the Department of Revenue. The agency never moved ahead with a project focused on energy tax credits, despite finding problems on 21 tax returns claiming business energy tax credits that were audited for other reasons since July 2013.

Lax oversight

Around the same time, the Oregon Department of Energy also scaled back its oversight of the tax credit sales. The department quietly stopped enforcing pricing and other rules for the sales in fall 2011, which allowed private brokers to strike deals, in which the prices were never verified by the state.

The Department of Energy has struggled to track the private deals, including verifying who was entitled to the tax breaks and how much they paid for them.

Anthony L. Buckley, chief financial officer for the energy agency, was reluctant to say the buyers and sellers of tax credits have reported all those transactions to the Department of Energy.

"I can't say with any real surety that they are," Buckley said. "I think the transactions are in jeopardy if they don't. The third-party buyer can't use that certificate unless it's registered with the Department of Revenue, and that can only be done through us."

The department is working to clean up the mess, with a retroactive rule change that would clarify all the private deals since mid-2012 were above-board.

Business energy tax credits issued between 2006 and 2014 could cost the state up to $968.1 million in tax revenue, according to the Department of Energy. A majority of that cost — $703.6 million — comes from tax credits that were sold to investors.

The companies and individuals who bought those credits could realize a total gain of $209.4 million, which is the difference between the value of the tax credits and the price taxpayers paid to purchase them, according to analysis by the EO Media Group/Pamplin Media Group Capital Bureau.

Retroactive rule change

In fact, it was a Department of Revenue auditor who raised questions the Department of Energy is now trying to answer with its retroactive rule change.

The rule change would remove a requirement for tax credit sales to follow state price guidelines, and it would apply to sales that occurred since mid-2012. It would also remove price regulations for the energy incentive program tax credits which replaced the business energy tax credits.

As auditor Peggy Ellis examined tax returns last fall, she was initially confused by private tax credit sales that bypassed Oregon Department of Energy rules. Tax auditors believed the department had always set the purchase prices for the tax credits, as called for under state rules, and that the department verified the payment amounts, Energy Program Developer Joe Colello wrote in an email to an agency administrator last fall. Ellis had reached out to Colello, in an attempt to verify some of the tax credits.

"It should be noted that there is a concern that (Oregon Department of Energy's) credibility will suffer due to the confusion with the (business energy tax credit/energy incentive program) transferees," Colello wrote on Nov. 10, 2014, in an email to Buckley, the energy agency's chief financial officer.

Colello asked Buckley, the chief financial officer, for documentation to clarify how the Department of Energy had been handling the tax credit sales.

On Nov. 13, Buckley responded with a five-page internal memorandum that described how the Department of Energy began to allow the private tax credit sales in 2011. Buckley did not provide details of why the agency decided to make the change, but he noted that there was pressure from the owner of at least one energy project who wanted to independently sell the tax credits.

Energy officials sought legal advice from the Oregon Department of Justice and although they never obtained a written legal opinion, the takeaway for employees at the department was that the type of tax credit sales they allowed "was a business decision," Buckley wrote.

Since then, the Department of Energy allowed the private sales under a section of Oregon law that simply states onetime transfers of tax credits are allowed, unless expressly prohibited by other laws.

Energy officials did not publicize the change.

"The management decision at the time was not to promote transfer, but it remained an option for recipients," Rachel Wray, a spokeswoman for the energy agency, wrote in an email. "The rules weren't changed to reflect department practices at the time, in part because it wasn't seen as a policy shift; it was a reaction to the challenges recipients were facing in transferring their credits."

Lynn Frank, a former director of the Department of Energy, said the goal in controlling business energy tax credit prices was to ensure the tax credits generated enough revenue for conservation projects to provide a public benefit.

"It's almost like due diligence, to make sure an appropriate amount of public benefit flows through," Frank said.

The Department of Energy has not offered a detailed explanation for its decision to stop enforcing the price controls, other than to point out private sales are allowed under state law and they provide more flexibility to buyers and sellers.

The Department of Energy plans to hold a public meeting June 30 on the process to make the retroactive rule changes permanent.